NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

V	nah nam		2008, by and be	stucon
	THIS LEASE AGREEMENT Is made this day of	<u> </u>	2006, by and be	- Tween
Ł	raneo Cano Kamirez a Married Person	herein not jamed	<u>by 5</u>	spouse
wh	whose addresss is 1436 Milmo Drive Fort Why	h Texas 7613	34	as Lessor,
an	ind. DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Strite 1870 Dallas Tex	as 75201, as Lessee. All printed por	tions of this leas	e were prepared by the party
he	ereinabove named as Lessee, but all other provisions (including the completion of blank sp 1. In consideration of a cash bonus in hand paid and the covenants herein conta	aces) were prepared jointly by Lesso lined. Lessor hereby grants, leases	r and Lessee. and lets exclusi	ively to Lessee the following
de	lescribed land, hereinafter called leased premises:	mice, bessel hateby grants, leases	-,,-	,
	189 ACRES OF LAND, MORE OR LESS, BEING LOT(S)	10	. BI	LOCK 5
$\overline{\Omega}$	DUT OF THE HARMAN LAND	A DITITION	V AN ADDIT	ION TO THE CITY OF
	Fat Worth , TARRANT COUNTY,	TEXAS, ACCORDING TO T	HAT CERTA	IN PLAT RECORDED
ĪŃ	N VOLUME 388-3 , PAGE /18 OF	THE PLAT RECORDS OF TA	ARRANT CO	UNTY, TEXAS.
	100			
in	n the County of <u>Tarrant</u> , State of TEXAS, containing <u>189</u> gross acres, neversion, prescription or otherwise), for the purpose of exploring for, developing, produc	nore or less (including any interests the	ierein Which Les	eachon and non bydrocarbon
su	eversion, prescription of otherwise), for the purpose of exploring for, developing, produc- substances produced in association therewith (including geophysical/seismic operations	). The term "gas" as used herein	includes heliun	n, carbon dioxide and other
co	commercial gases, as well as hydrocarbon gases. In addition to the above-described lear	sed premises, this lease also covers	accretions and a	any small strips or parcels of
lar	and now or hereafter owned by Lessor which are configuous or adjacent to the above-det essor agrees to execute at Lessee's request any additional or supplemental instruments for	cribed leased premises, and, in cons	sideration of the	aforementioned cash bonus,
of	resort agrees to execute at cessee's request any additional of suppliented instruments to of determining the amount of any shut-in royalties hereunder, the number of gross acres abo	ove specified shall be deemed correct	i, whether actual	ly more or less.
			-	
	2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a p	rimary term of		from the date hereof, and for
	as long thereafter as oil or gas or other substances covered hereby are produced in paying otherwise maintained in effect pursuant to the provisions hereof.	quantities from the leased premises	or from lands po	oled therewith of this lease is
	<ol><li>Royalties on oil, gas and other substances produced and saved hereunder shall</li></ol>	be paid by Lessee to Lessor as follo	ws: (a) For oll a	and other liquid hydrocarbons
se	separated at Lessee's separator facilities, the royalty shall be the left of the facilities, person at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, p	(2,5%) of such prov	duction, to be de	elivered at Lessee's option to
Le	essor at the wellnead or to Lessor's credit at the oil purchaser's transportation facilities, p. he wellhead market price then prevailing in the same field (or if there is no such price the	rovided that Lessee shall have the co len prevailing in the same field, then	in the nearest	field in which there is such a
Df	prevailing price) for production of similar grade and gravity; (b) for gas (including cas	sing head gas) and all other substa	ances covered	hereby, the royalty shall be
	-tulentu-five ( 35%) of the proceeds realized by Les	see from the sale thereof, less a p	proportionate pa	art of ad valorem taxes and
pn Le	production, severance, or other excise taxes and the costs incurred by Lessee In defivering ease shall have the continuing right to purchase such production at the prevailing wellhe	g, processing or otherwise marketing ad market price naid for production o	, such gas or on f similar quality i	n the same field (or if there is
по	to such price then prevailing in the same field, then in the nearest fleid in which there is s	uch a prevailing price) pursuant to co	omparable purch:	ase contracts entered into on
the	he same or nearest preceding date as the date on which Lessee commences its purchase	s hereunder; and (c) if at the end of t	the primary term	or any time thereafter one or
me are	more wells on the leased premises or lands pooled therewith are capable of either producing wells on hydraulic fracture stimulation, but such well or wells are either shut-in or producing the wells are either shut-in or producing the well or wells are either shut-in or producing the well or wells are either shut-in or producing the well or well or well are the well or wel	ig oil or gas of other substances cove luction there from is not belng sold by	ared Hereby in pr Lesses, such w	aying quantities or such wells relt or wells shall nevertheless
be	be deemed to be producing in paying quantities for the purpose of maintaining this lease.	If for a period of 90 consecutive day	s such well or w	rells are shut-in or production
	here from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar			
	essor's credit in the depository designated below, on or before the end of said 90-day pe while the welt or welts are shut-in or production there from is not being sold by Lessee; pro			
is	s being sold by Lessee from another well or wells on the leased premises or lands poole	d therewith, no shut-in royalty shall b	e due until the e	end of the 90-day period next
	following cessation of such operations or production. Lessee's failure to properly pay shu erminate this lease,	t-in royalty shall render Lessee liable	for the amount	due, but shall not operate to
161	4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor (	or to Lessor's credit in <u>at Jessor's a</u>	ddress above	or its successors, which shall
be	be Lessor's depository agent for receiving payments regardless of changes in the ownershi	p of said land. All payments or tender	s may be made	in currency, or by check or by
ad	draft and such payments or tenders to Lessor or to the depository by deposit in the US Ma address known to Lessee shall constitute proper payment. If the depository should liquida	ills in a stamped envelope addresset te or he succeeded by another institu	ition, or for any t	reason fall or refuse to accept
pa	payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable	e instrument naming another institution	n as depository	agent to receive payments.
	<ol><li>Except as provided for in Paragraph 3, above, if Lessee drills a well which is inca premises or lands pooled therewith, or if all production (whether or not in paying quantity</li></ol>			
pu	pursuant to the provisions of Paragraph 6 or the action of any governmental authority,	then in the event this lease is not	otherwise being	maintained in force it shall
ne	nevertheless remain in force if Lessee commences operations for reworking an existing we	ell or for drilling an additional well or f	for atherwise abt	aining or restoring production
	on the leased premises or lands pooled therewith within 90 days after completion of operat he end of the primary term, or at any time thereafter, this lease is not otherwise being r			
	operations reasonably calculated to obtain or restore production therefrom, this lease shall			
	no cessation of more than 90 consecutive days, and if any such operations result in the			
	here is production in paying quantities from the leased premises or lands pooled therewit essee shall drill such additional wells on the leased premises or lands pooled therewith as			
to	o (a) develop the leased premises as to formations then capable of producing in paying	quantities on the leased premises or	r lands pooled th	nerewith, or (b) to protect the
	eased premises from uncompensated drainage by any well or wells located on other lands additional wells except as expressly provided herein.	not pooled therewith. There shall be	e no covenant to	o drill exploratory wells or any
ac	additional wells except as expressly provided nerein.  6. Lessee shall have the right but not the obligation to pool all or any part of the lea	ased premises or interest therein with	n any other land:	s or interests, as to any or all
de	lepths or zones, and as to any or all substances covered by this lease, either before or			

depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of loo,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of loo,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of loo,000 cubic feet per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivale

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

7. If Lessor owns less than the full mineral estate in all or any part of the lessed premises or lands pooled therewith shall be reduced to the proportion that Lessor's Interest in such part of the lessed premises bears to the full mineral estate in such part of the lessed premises bears to the full mineral estate in the lessed premises.

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise statement in whole or in part, by area enable; by depth or zones, and the fights and obligations of the parties hereunder shall better the devised of the control of the control

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royaltles or shut-in royaltles otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royaltles and shut-in royaltles hereunder, without Interest, until Lessee has been furnished existences without Payment of royaltles and shut-in royaltles hereunder, without Interest, until

Lessee has been furnished satisfactory evidence that such claim has been resolved.

18. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lesson has or may negotiate with any other lessor foll and gas owners. which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's helrs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Franco Cano Ramirez By: ACKNOWLEDGMENT STATE OF COUNTY OF Tarrant This instrument was acknowledged before me on the Franco Como Kamiyez day of \_ 52 Pachela MARIA MUNOZ PADILLA Notary Public, State of Texas Notary Public, State of Texas My Commission Expires name (printed): October 05, 2011 STATE OF COUNTY OF This instrument was acknowledged before me on the 2008. day of



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

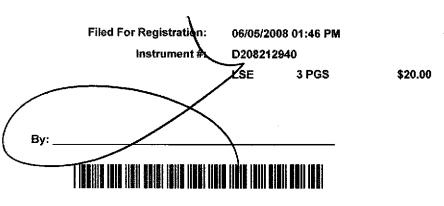
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208212940

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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